



Media Release

Award winning year for Xstrata North Queensland

Mount Isa, Tuesday 21 December 2010

2010 has been a year of growth and achievement for Xstrata's North Queensland Operations.

The year has seen our business recognised as industry leaders, we have announced further operational expansions, we have continued to make improvements in reducing emissions and we have increased our support for our local communities.

Chief Operating Officer, Xstrata Zinc Australia, Brian Hearne said 2010 was an important year in the development of Xstrata's operations in North Queensland.

"The expansion projects announced show our confidence to invest in the future of our operations. What has been great this year has been the external recognition of our success and hard work. It shows one of Australia's oldest mining operations is still highly competitive. We can all be proud of that," said Mr Hearne.

Recognition of our achievements was evident in Xstrata Mount Isa Mines' induction into the Queensland Business Leaders Hall of Fame in recognition of our contribution to the State of Queensland and its economic, mining industry and rural development.

Xstrata Copper's Townsville Copper Refinery received the Innovation Award for their Cathode Nodule Catcher innovation at the 2010 Queensland Mining Industry Health and Safety conference.

More broadly, Xstrata's North Queensland operations won the Minerals and Energy category of the 2010 Premier's Export Award and the 2010 Australian Export Award in recognition of the business' 22 percent increase in exports.

These awards complement Xstrata plc's retention of its position as Mining Sector Leader in the annual Dow Jones Sustainability review 2010-2011 (fourth consecutive year), as well as being named the Super Sector Leader for Basic Resources industries.

More recently, Steve de Kruijff, Chief Operating Officer, Xstrata Copper North Queensland, was elected President of Queensland Resources Council (QRC) and became the first QRC president to hold that position while living in a regional community.

With regards to operational expansions, the past 12 months included many operational advancements and major expansion announcements, including Xstrata Zinc's approval



of a \$274 million expansion at George Fisher Mine in Mount Isa, increasing the production rate by almost 30 percent from 2013.

The George Fisher Mine expansion follows the approval of the \$133 million Black Star Deeps open cut development to bring the total value of new mining projects in Mount Isa announced by Xstrata Zinc this year to \$407 million.

Both of these projects ensure the full utilisation of the zinc-lead concentrator capacity in Mount Isa which was raised to eight million tonnes per annum in 2009.

Construction of a new magnetite processing facility and foundations to sink a new shaft at Ernest Henry Mining have also commenced following approval of a \$574 million expansion project announced in late 2009. The expansion will extend Ernest Henry Mining's mine life by 12 years to 2024 by transforming the operation from an open-pit to major shaft underground mining operation.

The minimisation of our environmental impact remains a key focus, and in 2010 we completed a number of major projects including the Copper Smelter re-brick, major pipeline upgrades and the reconstruction of the Mount Isa Transmission (MIT) substation.

New environmental initiatives include a new water recycling initiative designed to return 17 megalitres of reclaimed water per day, an oil recycling initiative at the Rebuild Workshop and the completion of the first step for the Lead Smelter plant's natural gas conversion project.

To date, we have invested more than \$30 million since 2007 on the Smelter Emissions Project to further improve the capture and treatment of emissions from our lead and copper smelters at Mount Isa.

Work is continuing on the Lead Pathways Study, being undertaken by the University of Queensland's Centre for Mined Land Rehabilitation (CMLR), to identify potential pathways of lead into the Mount Isa community. Phase One (Land) of the study was completed in July 2009 and we anticipate that Phases Two (Air) and Three (Water) will be completed in 2011.

Along with implementation of environmental initiatives to reduce lead emissions, Xstrata Mount Isa Mines remains committed to its partnership with the Living With Lead Alliance to inform residents of how to live safely in an environment where lead exists from natural and industrial sources.

Our corporate social involvement programs are a key part of Xstrata's business and in 2010 we have continued to support a range of partnerships across Mount Isa, Cloncurry, Bowen and Townsville through the Xstrata Community Partnership Program North Queensland (XCPPNQ). XCPPNQ supports our communities in the areas of health, education, environment, social and community development, enterprise and job creation.

We are also committed to providing community infrastructure projects and this year we were happy to provide \$750,000 to the Cloncurry Community Precinct Project, and \$2 million toward the new Mount Isa oral health building.



Our donations and sponsorships program is providing more than \$600,000 for community groups and activities in addition to major community events including the Xstrata Mount Isa Rotary Rodeo, the Mount Isa Mining Expo, Townsville Greek Fest, and Cloncurry Merry Muster.

Xstrata Mount Isa Mines also launched a new community feedback hotline, strengthening the link between our operation and our community. This hotline is now operational 24 hours per day, seven days per week.

Steve de Kruijff, Chief Operating Officer, Xstrata Copper North Queensland said we can attribute these achievements to the outstanding efforts of our employees.

"I would like to take this opportunity to thank our entire North Queensland workforce for their dedication throughout 2010, and for making all of these achievements, recognitions, improvements and expansions possible.

"On behalf of the management team, I hope you all have a safe and happy festive season and look forward to an even more prosperous 2011," said Mr de Kruijff.

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Photo Captions

Photo 1

Black Star Open Cut, Xstrata Mount Isa Mines

Photo 2

(L-R) Dr John Kunkel, Director – Industry Economics and Taxation, Minerals Council of Australia, Minerals and Energy sponsor with Brian Hearne – Chief Operating Officer Xstrata Zinc Australia

Photo 3

(L-R) Noel Kimlin – Superintendent Continuous Improvement Xstrata Copper Townsville Refinery, Minister Stephen Robertson, Peter Clifford – Machinery Operator Xstrata Copper Townsville Refinery

Photo 4

Xstrata Mount Isa Mines' induction into the Queensland Business Leaders Hall of Fame



Notes to editors

About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with a growing platinum group metals business, additional exposures to gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 19 countries.

